

2026 Regular Session

SENATE BILL NO. 137

BY SENATOR ALLAIN

PROPERTY INSURANCE. Provides relative to property insurance. (8/1/26)

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AN ACT

To amend and reenact R.S. 22:1261(A), 1262, 1264(A) and (C), 1265(A)(1) and (G), the introductory paragraph of 1266(A), 1266(B)(2), (C), (D)(1), the introductory paragraph of (E)(1), (E)(2), (G), and (M)(1), and 1267(A), the introductory paragraph of 1267(B), 1267(B)(2) and (3), (D)(1), (E)(1), and (G)(1), the introductory paragraph of 1267.1(A), 1267.1(E), 1268, 1269(A), (B)(2) and (4)(b), and (C), 1270(A), the introductory paragraph of 1270(B)(1), and 1271, relative to property insurance; to provide for property insurance; to provide for the regulation of property insurance; to provide for the operation of property insurance; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1 R.S. 22:1261(A), 1262, 1264(A) and (C), 1265(A)(1) and (G), the introductory paragraph of 1266(A), 1266(B)(2), (C), (D)(1), the introductory paragraph of (E)(1), (E)(2), (G), and (M)(1), and 1267(A), the introductory paragraph of 1267(B), 1267(B)(2) and (3), (D)(1), (E)(1), and (G)(1), the introductory paragraph of 1267.1(A), 1267.1(E), 1268, 1269(A), (B)(2) and (4)(b), and (C), 1270(A), the introductory paragraph of 1270(B)(1), and 1271 are hereby amended and reenacted to read as follows:

1 §1261. Renewal of policy; increase in premiums prohibited

2 A. ~~Any~~ An insurance policy terminating by it's the policy's terms at a
3 specified expiration date and not otherwise renewable may be renewed or extended
4 at the option of the insurer. ~~Such~~ The renewal shall be made upon a currently
5 authorized renewal form and at the premium rate then required for a specific
6 additional period or periods by a certificate or by endorsement of the policy, and
7 without requiring the issuance of a new policy.

8 * * *

9 §1262. Annulment of liability policies

10 ~~No~~ An insurance contract insuring against loss or damage through legal
11 liability for the bodily injury or death by accident of any individual, or for damage
12 to the property of any person, shall not be retroactively annulled by any agreement
13 between the insurer and insured after the occurrence of any such injury, death, or
14 damage for which the insured may be liable, and any such annulment attempted shall
15 be null and void.

16 * * *

17 §1264. Presumption of coverage

18 A. For losses that arose due to a catastrophic event for which a state of
19 disaster or emergency was declared pursuant to law by civil officials, for those areas
20 within the declaration, ~~no~~ damages to covered property shall not be automatically
21 denied by the inability of the policyholder to provide sufficient proof of loss within
22 the time limits and requirements of the policy. The time limit for the submission of
23 proof of loss shall be not less than one hundred eighty days. The time limit shall not
24 commence as long as a declaration of emergency is in existence and civil authorities
25 are denying the insured access to the property.

26 * * *

27 C. The provisions of this Section ~~shall be applicable~~ apply to all new policies
28 and renewal policies delivered in the state of Louisiana after April 18, 2006.

29 §1265. Property, casualty, and liability insurance policies; cancellation and

1 nonrenewal provisions; nonrenewal for rate inadequacy; certain
2 prohibitions

3 A.(1) Any insurer cancelling or refusing to renew a policy providing
4 property, casualty, or liability insurance on any property shall, upon written request
5 of the policy's named insured, specify in writing the reason or reasons for such
6 cancellation or refusal to renew. ~~Such~~ The request shall be mailed or delivered to the
7 insurer within six months after the effective date of cancellation or expiration.

8 * * *

9 G. ~~No~~ A homeowner's policy of insurance shall not contain any provision
10 that would apply more than one deductible to a loss resulting from any single
11 incident covered by the policy. Any such provision shall be null and void and
12 unenforceable as contrary to public policy.

13 * * *

14 §1266. Automobile, property, casualty, and liability insurance policies; cancellations

15 A. As used in this Part, the following definitions apply:

16 * * *

17 B.(1) * * *

18 (2) This Subsection ~~shall~~ does not apply to nonrenewal or to any policy or
19 coverage which has been in effect less than sixty days at the time notice of
20 cancellation is mailed or delivered by the insurer unless it is a renewal policy. After
21 an insurer has paid and satisfied an insured's third physical damage claim within a
22 period of five years, the modification of ~~such~~ the insured's automobile physical
23 damage coverage by the inclusion of or a change in a deductible not exceeding five
24 hundred dollars shall not be deemed a cancellation of the coverage or of the policy.

25 C. ~~No~~ An insurer shall not cancel or fail to renew a policy purely because of
26 age. Some legitimate reason, such as physical or mental infirmity, must be specified
27 before an insurer may cancel or refuse to renew a policy.

28 D.(1) ~~No~~ A notice of cancellation of a policy to which Subsection B or C of
29 this Section applies ~~shall be~~ is not effective unless mailed by certified mail or

1 delivered by the insurer to the named insured at least sixty days prior to the effective
 2 date of cancellation; however, when cancellation is for nonpayment of premium, at
 3 least ten days notice of cancellation accompanied by the reason shall be given. In the
 4 event of nonpayment of premiums for a binder, a ten-day notice of cancellation shall
 5 be required before the cancellation shall be effective. Notice of cancellation for
 6 nonpayment of premiums is not required to be sent by certified mail. Unless the
 7 reason accompanies the notice of cancellation, the notice of cancellation shall state
 8 or be accompanied by a statement that upon written request of the named insured,
 9 mailed or delivered to the insurer within six months after the effective date of
 10 cancellation, the insurer will specify the reason for ~~such~~ **the** cancellation. This
 11 Subsection does not apply to nonrenewal.

* * *

13 E.(1) ~~No~~ **An** insurer shall **not** fail to renew a policy unless it **the insurer**
 14 mails or delivers to the named insured, at the address shown in the policy, at least
 15 sixty days advance notice of its intention not to renew. This Subsection does not
 16 apply in any of the following circumstances:

* * *

18 (2) Renewal of a policy shall not constitute a waiver or estoppel with respect
 19 to grounds for cancellation which existed before the effective date of ~~such~~ **the**
 20 renewal.

* * *

22 G. When a policy of automobile liability insurance is cancelled, other than
 23 for nonpayment of premium, or in the event of failure to renew a policy of
 24 automobile liability insurance to which Subsection D applies, the insurer shall notify
 25 the named insured of his possible eligibility for automobile liability insurance
 26 through the automobile liability assigned risk plan. ~~Such~~ **The** notice shall accompany
 27 or be included in the notice of cancellation or the notice of intent not to renew.

* * *

29 M.(1) An insurance premium finance company that finances any part of an

1 insurance policy governed by this Section shall cooperate with the department in any
2 investigation regarding ~~such the~~ insurance policy.

3 * * *

4 §1267. Commercial insurance; cancellation and renewal

5 A. This Section ~~shall apply~~ **applies** to commercial property insurance
6 policies, commercial automobile insurance policies, commercial multi-peril
7 insurance policies, workers' compensation insurance, professional errors and
8 omissions policies, and commercial liability insurance policies, other than aviation,
9 and employers' liability insurance policies. ~~It shall~~ **This Section does** not apply to
10 reinsurance, excess and surplus lines insurance, residual market risks, multistate
11 location risks, policies subject to retrospective rating plans, excess or umbrella
12 policies, and such other policies that are exempted by the commissioner of insurance.

13 B. For the purposes of this Section, the following ~~terms shall mean~~
14 **definitions apply:**

15 * * *

16 (2) "Expiration date" means the date upon which coverage under a policy
17 ends. It also means, for a policy written for a term longer than one year or with no
18 fixed expiration date, each annual anniversary date of ~~such the~~ policy.

19 (3) "Nonpayment of premium" means the failure or inability of the named
20 insured to discharge any obligation in connection with the payment of premiums on
21 a policy of insurance subject to this regulation, whether ~~such the~~ payments are
22 payable directly to the insurer or its producer or indirectly payable under a premium
23 finance plan or extension of credit.

24 * * *

25 D.(1) An insurer may decide not to renew a policy if it delivers or mails to
26 the first-named insured at the address shown on the policy written notice it will not
27 renew the policy. ~~Such The~~ notice of nonrenewal shall be mailed or delivered at least
28 sixty days before the expiration date. ~~Such The~~ notice to the insured shall include the
29 insured's loss run information for the period the policy has been in force within, but

1 not to exceed, the last three years of coverage. If the notice is mailed less than sixty
 2 days before expiration, coverage shall remain in effect under the same terms and
 3 conditions until sixty days after notice is mailed or delivered. Earned premium for
 4 any period of coverage that extends beyond the expiration date shall be considered
 5 pro rata based upon the previous year's rate. For purposes of this Section, the transfer
 6 of a policyholder between companies within the same insurance group shall not be
 7 a refusal to renew. In addition, changes in the deductible, changes in rate, changes
 8 in the amount of insurance, or reductions in policy limits or coverage shall not be
 9 refusals to renew.

* * *

11 E.(1) An insurer shall mail or deliver to the named insured at the mailing
 12 address shown on the policy written notice of any rate increase, change in deductible,
 13 or reduction in limits or coverage at least sixty days prior to the expiration date of
 14 the policy. If the insurer fails to provide ~~such~~ **the** notice, the coverage provided to
 15 the named insured at the expiring policy's rate, terms, and conditions shall remain in
 16 effect until notice is given or until the effective date of replacement coverage
 17 obtained by the named insured, whichever first occurs. For the purposes of this
 18 Subsection, notice is considered given sixty days following date of mailing or
 19 delivery of the notice. If the insured elects not to renew, any earned premium for the
 20 period of extension of the terminated policy shall be calculated pro rata at the lower
 21 of the current or previous year's rate. If the insured accepts the renewal, the premium
 22 increase, if any, and other changes shall be effective the day following the prior
 23 policy's expiration or anniversary date.

* * *

25 G.(1) An insurance premium finance company that finances any part of an
 26 insurance policy governed by this Section shall cooperate with the department in any
 27 investigation regarding ~~such~~ **the** insurance policy.

* * *

29 §1267.1. Commercial insurance deductibles applied to named storm, hurricane, and

1 wind and hail deductibles

2 A. For purposes of this Section, **the following definitions apply:**

3 * * *

4 E. This Section ~~shall apply~~ **applies** only to property located in this state.

5 §1268. Interest on refund; exception

6 A. Any refund due an insured by an insurer writing or delivering insurance
7 policies excluding health insurance, life insurance, and annuities in the state because
8 of either cancellation, elimination, or reduction of coverage by the insurer or the
9 insured, shall be accompanied with interest at the rate of one and one-half percent
10 per month of the amount of the refund due the customer, without the benefit of daily
11 proration of this monthly interest, after thirty days of either of the following:

12 (1) The delivery to the insured of the written notice of ~~such~~ **the** cancellation,
13 elimination, or reduction.

14 (2) Delivery to the insurer's state, regional, or home office, from which ~~such~~
15 **the** refund would issue, of the written request for ~~such~~ **the** cancellation, elimination,
16 or reduction. An insurer shall be deemed in compliance with this Section and not
17 subject to the further accrument of interest by furnishing timely evidence of the
18 mailing of ~~such~~ **the** refund to the last known address of the insured. However, when
19 the insured continues to maintain a policy of insurance with the insurer, or an
20 affiliated insurer, and the amount of the refund plus interest is twenty-five dollars or
21 less, the insurer may credit the amount of the payment against future premiums. The
22 insurer shall give written notice to the insured of the credit and the amount at policy
23 renewal.

24 B. The provisions of this Section ~~shall~~ **do** not apply to those policies issued
25 by an insurance company which require an audit.

26 §1269. Liability policy; insolvency or bankruptcy of insured and inability to effect
27 service of citation or other process; direct action against insurer

28 A. ~~No~~ **A** policy or contract of liability insurance shall **not** be issued or
29 delivered in this state, unless it contains provisions to the effect that the insolvency

1 or bankruptcy of the insured shall not release the insurer from the payment of
 2 damages for injuries sustained or loss occasioned during the existence of the policy,
 3 and any judgment which may be rendered against the insured for which the insurer
 4 is liable which shall have become executory, shall be deemed prima facie evidence
 5 of the insolvency of the insured, and an action may thereafter be maintained within
 6 the terms and limits of the policy by the injured person, or his survivors, mentioned
 7 in Civil Code Art. 2315.1, or heirs against the insurer.

8 B.(1) * * *

9 * * *

10 (2) This right of direct action shall exist whether or not the policy of
 11 insurance sued upon was written or delivered in the state of Louisiana and whether
 12 or not ~~such~~ **the** policy contains a provision forbidding ~~such~~ direct action, provided
 13 the accident or injury occurred within the state of Louisiana. Nothing contained in
 14 this Section shall be construed to affect the provisions of the policy or contract if
 15 ~~such~~ **the** provisions are not in violation of the laws of this state.

16 * * *

17 (4)(a) * * *

18 (b) A court shall not disclose the existence of insurance coverage to the jury
 19 or mention ~~such~~ **the** coverage in the jury's presence unless required by Code of
 20 Evidence Article 411.

21 * * *

22 C. It is the intent of this Section that any action brought under the provisions
 23 of this Section shall be subject to all of the lawful conditions of the policy or contract
 24 and the defenses which could be urged by the insurer to a direct action brought by
 25 the insured, provided the terms and conditions of ~~such~~ **the** policy or contract are not
 26 in violation of the laws of this state.

27 * * *

28 §1270. Personal property; specific coverage; valuation; exemptions

29 A. In any case in which a policy includes coverage for loss of or damage to

1 personal property of the insured, from whatever cause, if the insurer places a
 2 valuation upon the specific item of covered property and uses ~~such~~ **the** valuation for
 3 purposes of determining the premium charge to be made under the policy, the insurer
 4 shall compute any covered loss of or damage to ~~such~~ **the** property which occurs
 5 during the term of the policy at ~~such~~ **the** valuation without deduction or offset, unless
 6 a different method is to be used in the computation of loss, in which latter case, the
 7 policy, and any application for the policy, shall set forth in type of prominent size,
 8 the actual method of ~~such~~ **the** loss computation by the insurer.

9 B.(1) The provisions of this Section ~~shall~~ **do** not apply to any of the
 10 following:

11 * * *

12 §1271. Identification of property upon which premium is due

13 A. Any bill or other notice requiring payment of a premium for a policy of
 14 property or casualty insurance which is sent by an insurer to its policyholder shall
 15 identify the insured property sufficiently to allow the policyholder to identify the
 16 property upon which the premium is due. ~~Such~~ **The** identification may be by
 17 description or may be by address if the property is real estate.

18 B. The provisions of Subsection A of this Section ~~shall~~ **do** not apply to bills
 19 for policies which are billed more often than semiannually or to bills for policies
 20 which insure multiple properties, locations, or vehicles.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

SB 137 Original 2026 Regular Session Allain

Present law provides for renewal of insurance policies.

Proposed law retains present law and makes technical changes.

Present law provides for annulment of liability policies.

Proposed law retains present law and makes technical changes.

Present law provides for presumption of coverage.

Proposed law retains present law and makes technical changes.

Present law provides for property, casualty, and liability policies.

Proposed law retains present law and makes technical changes.

Present law provides for cancellation of automobile, property, casualty, and liability policies.

Proposed law retains present law and makes technical changes.

Present law provides for commercial insurance.

Proposed law retains present law and makes technical changes.

Present law provides for named storm, hurricane, and wind and hail deductibles for commercial policies.

Proposed law retains present law and makes technical changes.

Present law provides for interest on refunds due an insured.

Proposed law retains present law and makes technical changes.

Present law provides for provisions regarding the insolvency or bankruptcy of an insured.

Proposed law retains present law and makes technical changes.

Present law provides for personal property insurance.

Proposed law retains present law and makes technical changes.

Present law provides for identification of property upon which the premium is due.

Proposed law retains present law and makes technical changes.

Effective August 1, 2026.

(Amends R.S. 22:1261(A), 1262, 1264(A) and (C), 1265(A)(1) and (G), 1266(A)(intro para), (B)(2), (C), (D)(1), (E)(1)(intro para), (E)(2), (G), and (M)(1), 1267(A), (B)(intro para), (2), and (3), (D)(1), (E)(1), and (G)(1), 1267.1(A)(intro para) and (E), 1268, 1269(A), (B)(2) and (4)(b), and (C), 1270(A) and (B)(1)(intro para), and 1271)